FISCAL MEMORANDUM

SB 24 – HB 7

April 10, 2013

SUMMARY OF ORIGINAL BILL: Authorizes Cocke County to levy a privilege tax on litigation filed for all civil and criminal cases held in general sessions court upon passage of a resolution with two-thirds majority by the county commission. The resolution will also set the amount of the tax. Requires any revenue collected to be deposited into the county general fund and used for funding the general sessions court and ensuring the existing courthouse justice center facilities are in compliance with fire codes.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Revenue - $22,800/Cocke County/Permissive

SUMMARY OF AMENDMENT (005818): Deletes and rewrites subsection (1) of Section 1 of the bill authorizing Cocke County to levy a privilege tax not to exceed $4.75 on litigation filed for all civil and criminal cases held in general sessions court upon passage of a resolution by two-thirds majority vote of the county commission; adds a new subsection to the bill which sunsets such privilege tax on July 1, 2020. Requires any revenue collected to be deposited into the county general fund and used for funding the general sessions court and ensuring that existing courthouse justice center facilities are in compliance with fire codes.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase Local Revenue –
$22,800/Each Year FY13-14 through FY19-20/Cocke County/Permissive

Assumptions for the bill as amended:

- Cocke County estimates the tax will be collected on 4,800 cases per year.
- The recurring increase in local revenue for Cocke County is estimated to be $22,800 (4,800 cases x $4.75 privilege tax assessed per case).
- Any vote required for passage of the resolution authorizing the tax to be levied can be accomplished at a regularly scheduled meeting of the county commission.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Lucian D. Geise, Executive Director

/jrh